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新世界發展有限公司
New World Development Company Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 0017)



新創建 NWS

新創建集團有限公司*
NWS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(stock code: 00659)

JOINT ANNOUNCEMENT

UPDATES ON THE DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITIONS OF EQUITY INTEREST IN THE TARGET COMPANY AND RELATED CREDITOR'S RIGHTS AND DIVIDEND RECEIVABLE

BACKGROUND

Reference is made to the joint announcement of NWD and NWS dated 26 April 2022 (the “**Previous Announcement**”) in relation to the Acquisitions, namely the acquisitions of (i) the Target Interest, (ii) the Dividend Receivable, and (iii) the Creditor’s Rights in accordance with the Original Sale and Purchase Agreement. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as set out in the Previous Announcement.

The Purchaser has been informed by Logan Infrastructure that, as required by the relevant regulatory requirements, all the equity interest (including the Target Interest) in the Target Company held by Logan Infrastructure should be transferred to Logan Transport and Logan Transport should act as the seller of the Target Interest.

Having taken into account such regulatory requirements and with a view to continuing the Acquisitions, the Purchaser, Logan Infrastructure, Logan Transport and the Target Company have amicably agreed to terminate the Original Sale and Purchase Agreement and, at the same time, to enter into certain new agreements, for the purpose of proceeding with transactions contemplated under the New Acquisitions in which the key commercial terms are substantially the same as those as announced in the Previous Announcement for the Acquisitions.

TERMINATION OF THE ORIGINAL SALE AND PURCHASE AGREEMENT

On 5 September 2022 (after trading hours), the Purchaser, Logan Infrastructure, Logan Transport and the Target Company entered into a termination agreement to terminate the Original Sale and Purchase Agreement subject to the entering into of the New Sale and Purchase Agreement and the Logan Infrastructure Agreement by the relevant parties. Upon termination of the Original Sale and Purchase Agreement, there will be no outstanding claims or debts between the parties nor any controversies or disputes related to the Original Sale and Purchase Agreement.

As the date of this announcement, completion of the Acquisitions has not taken place and no payment has been made by the Purchaser to Logan Infrastructure or Logan Transport in relation to the Acquisitions under the Original Sale and Purchase Agreement.

ENTERING INTO NEW AGREEMENTS

On 5 September 2022 (after trading hours), the Purchaser entered into:

- 1) the New Sale and Purchase Agreement with Logan Transport and the Target Company, pursuant to which the Purchaser has conditionally agreed to acquire and Logan Transport has conditionally agreed to sell (a) the Target Interest at a consideration of approximately RMB1,634.9 million (equivalent to approximately HK\$1,868.5 million) and (b) the Creditor's Rights at a consideration of approximately RMB220.7 million (equivalent to approximately HK\$252.2 million); and
- 2) the Logan Infrastructure Agreement with Logan Infrastructure, Logan Transport and the Target Company, pursuant to which the Purchaser has conditionally agreed to acquire, and Logan Infrastructure has conditionally agreed to sell the Dividend Receivable at a consideration of approximately RMB46.8 million (equivalent to approximately HK\$53.5 million).

The Total Consideration is approximately RMB1,902.4 million (equivalent to approximately HK\$2,174.2 million), which is the same amount as the total consideration for the Acquisitions as disclosed in the Previous Announcement.

Upon completion of the New Equity Acquisition, the Target Company will be held as to 40% by the Purchaser and as to 60% by Logan Transport, and is expected to be accounted for as a joint venture of each of NWD Group and NWS Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, NWD together with its subsidiaries held approximately 60.88% of the total issued share capital of NWS. The Purchaser is an indirect wholly-owned subsidiary of NWS, and in turn an indirect non-wholly-owned subsidiary of NWD. As at the date of this announcement, Logan Infrastructure was a direct wholly-owned subsidiary of Logan Transport.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the New Acquisitions (taking into account the Total Consideration and the Guarantee) are more than 5% but less than 25% for each of NWD and NWS, the New Acquisitions constitute a discloseable transaction for each of NWD and NWS and are therefore subject to the notification and announcement requirements, but are exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

As the completion of the New Acquisitions is subject to the satisfaction or waiver (as applicable) of certain conditions precedent stated in the New Sale and Purchase Agreement, the New Acquisitions may or may not proceed. Accordingly, shareholders of NWD and NWS and potential investors should exercise caution when dealing in the securities of each of NWD and NWS.

BACKGROUND

Reference is made to the Previous Announcement in relation to the Acquisitions, namely the acquisitions of (i) the Target Interest, (ii) the Dividend Receivable, and (iii) the Creditor's Rights in accordance with the Original Sale and Purchase Agreement. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as set out in the Previous Announcement.

The Purchaser has been informed by Logan Infrastructure that, as required by the relevant regulatory requirements, all the equity interest (including the Target Interest) in the Target Company held by Logan Infrastructure should be transferred to Logan Transport and Logan Transport should act as the seller of the Target Interest.

Having taken into account such regulatory requirements and with a view to continuing the Acquisitions, the Purchaser, Logan Infrastructure, Logan Transport and the Target Company have amicably agreed to terminate the Original Sale and Purchase Agreement and, at the same time, to enter into certain new agreements, for the purpose of proceeding with transactions contemplated under the New Acquisitions in which the key commercial terms are substantially the same as those as announced in the Previous Announcement for the Acquisitions.

TERMINATION OF THE ORIGINAL SALE AND PURCHASE AGREEMENT

On 5 September 2022 (after trading hours), the Purchaser, Logan Infrastructure, Logan Transport and the Target Company entered into a termination agreement to terminate the Original Sale and Purchase Agreement subject to the entering into of the New Sale and Purchase Agreement and the Logan Infrastructure Agreement by the relevant parties. Upon termination of the Original Sale and Purchase Agreement, there will be no outstanding claims or debts between the parties nor any controversies or disputes related to the Original Sale and Purchase Agreement.

As the date of this announcement, completion of the Acquisitions has not taken place and no payment has been made by the Purchaser to Logan Infrastructure or Logan Transport in relation to the Acquisitions under the Original Sale and Purchase Agreement.

ENTERING INTO NEW AGREEMENTS

On 5 September 2022 (after trading hours), the Purchaser entered into:

- 1) the New Sale and Purchase Agreement with Logan Transport and the Target Company, pursuant to which the Purchaser has conditionally agreed to acquire and Logan Transport has conditionally agreed to sell (a) the Target Interest at a consideration of approximately RMB1,634.9 million (equivalent to approximately HK\$1,868.5 million) and (b) the Creditor's Rights at a consideration of approximately RMB220.7 million (equivalent to approximately HK\$252.2 million); and
- 2) the Logan Infrastructure Agreement with Logan Infrastructure, Logan Transport and the Target Company, pursuant to which the Purchaser has conditionally agreed to acquire, and Logan Infrastructure has conditionally agreed to sell the Dividend Receivable at a consideration of approximately RMB46.8 million (equivalent to approximately HK\$53.5 million).

The Total Consideration is approximately RMB1,902.4 million (equivalent to approximately HK\$2,174.2 million), which is the same amount as the total consideration for the Acquisitions as disclosed in the Previous Announcement.

Upon completion of the New Equity Acquisition, the Target Company will be held as to 40% by the Purchaser and as to 60% by Logan Transport, and is expected to be accounted for as a joint venture of each of NWD Group and NWS Group.

The major terms of the New Sale and Purchase Agreement and the Logan Infrastructure Agreement are set out below.

MAJOR TERMS OF THE NEW SALE AND PURCHASE AGREEMENT

Date

5 September 2022 (after trading hours)

Parties

(1) Logan Transport

(2) The Purchaser

(3) The Target Company

Acquisition of the Target Interest and Creditor's Rights

Pursuant to the New Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and Logan Transport has conditionally agreed to sell the Target Interest and the Creditor's Rights held by Logan Transport as at the date of this announcement.

The acquisition of the Creditor's Rights will be further subject to the terms of the Creditor's Rights Transfer Agreement to be entered into by the relevant parties according to the New Sale and Purchase Agreement.

Consideration

The total consideration under the New Sale and Purchase Agreement is approximately RMB1,855.6 million (equivalent to approximately HK\$2,120.7 million).

The basis upon which the consideration for the New Equity Acquisition and the acquisition of the Creditor's Rights were determined are the same as those disclosed in the Previous Announcement, namely:

- (a) (For the consideration of approximately RMB1,634.9 million (equivalent to approximately HK\$1,868.5 million) for the New Equity Acquisition) after arm's length negotiations between the parties taking into account, among others, the net asset value of the Target Company as at 31 December 2021, the quality of the Expressway, the business prospects of the Target Company and prevailing market conditions; and
- (b) (For the consideration of approximately RMB220.7 million (equivalent to approximately HK\$252.2 million) for the acquisition of the Creditor's Rights) a dollar-for-dollar basis based on the book value of the loan in the total amount of approximately RMB551.8 million (equivalent to approximately HK\$630.6 million) repayable by the Target Company to Logan Transport, multiplied by 40% (i.e. proportional to the Target Interest).

The total consideration under the New Sale and Purchase Agreement will be funded by internal resources of the NWS Group and/or unutilized banking facilities from reputable banks.

Payment terms

The total consideration under the New Sale and Purchase Agreement shall be settled by the Purchaser in two installments:

- a) On the date of completion of the New Equity Acquisition, the Purchaser shall submit payment instructions and application for funds transfer in relation to the Equity Acquisition Consideration to the bank, and ensure that the bank effect transfer of the Equity Acquisition Consideration to Logan Transport's designated bank account within three Business Days; and
- b) the Creditor's Rights Consideration shall be settled within three Business Days after the signing of the Creditor's Rights Transfer Agreement by the Purchaser, Logan Transport and the Target Company.

The relevant parties shall use their best endeavours to enter into the Creditor's Rights Transfer Agreement within one calendar month from the date of settlement of the Equity Acquisition Consideration (or other date that is agreed by all relevant parties in writing). If the Purchaser refuses to sign the Creditor's Rights Transfer Agreement without justifiable reasons within one calendar month from the date of settlement of the Equity Acquisition Consideration (or other date that is agreed by all parties in writing), the Creditor's Rights Transfer Agreement shall be deemed as signed by all relevant parties.

Key Conditions Precedent

Completion of the New Equity Acquisition is conditional upon, among others, the following key conditions precedent being satisfied or waived by the Purchaser in writing (as the case may be), which are substantially the same as those under the Original Sale and Purchase Agreement as disclosed in the Previous Announcement:

- (1) the obtaining of the requisite consent for the New Equity Acquisition and the acquisition of the Creditor's Rights from the relevant banks which provided the Bank Loans to the Target Company, and such consent not being conditional upon the early repayment of the principal of the Bank Loans or enforcement of the charges over the Toll Rights or account receivables of the Target Company;
- (2) in the event that the relevant banks providing the Bank Loans require the Purchaser to provide the Guarantee for the Bank Loans, the entering of the relevant legal document(s) by the Purchaser to provide the Guarantee (either in the form of a guarantee or other form of financial support to be agreed by the parties) in proportion to the Target Interest (i.e. 40% of the loan amount), on terms agreeable to the Purchaser and effective from the date of completion of the New Equity Acquisition;

- (3) the obtaining of the requisite approval for the New Equity Acquisition and the acquisition of the Creditor's Rights from the relevant government authority;
- (4) Logan Transport and the Purchaser, as shareholders of the Target Company, having passed, among others, the following shareholders' resolutions: (i) the adoption of the Articles of Association as the new articles of association of the Target Company; (ii) the resignation of the existing executive director of the Target Company; and (iii) the setting up of a board comprising five directors, three of which to be nominated by Logan Transport and two of which to be nominated by the Purchaser, each for a term of three years;
- (5) the board of directors of the Target Company (set up in accordance with paragraph (4) above) having passed, among others, the following directors' resolutions: (i) appointment of a director nominated by Logan Transport as the chairman of the board; (ii) appointment of a director nominated by the Purchaser as the vice-chairman of the board; (iii) appointment of a personnel nominated by Logan Transport as the general manager of the Target Company for a term of three years; (iv) appointment of a personnel nominated by the Purchaser as the chief financial officer of the Target Company for a term of three years; and (v) appointment of three personnel as the vice-general managers of the Target Company, two of which to be nominated by Logan Transport and one of which to be nominated by the Purchaser, each for a term of three years;
- (6) Logan Transport and the Purchaser having provided the Target Company with all necessary documents for completing a change of company registration records in connection with the New Equity Acquisition and the acquisition of the Creditor's Rights;
- (7) Logan Transport and the Target Company having complied with all obligations under the New Sale and Purchase Agreement to operate the Target Company in a customary manner during the transition period between 31 December 2021 and the date of completion of the New Equity Acquisition;
- (8) the warranties given by Logan Transport and the Target Company under the New Sale and Purchase Agreement remaining true, accurate, without omission and not misleading in all material respects; and
- (9) there having been no material adverse change to, among others, the financial position, business prospects, assets, or obligations relating to the operations of the Target Company since 31 December 2021.

Within three Business Days upon the fulfilment or waiver (as the case may be) of all conditions precedent to completion of the New Equity Acquisition under the New Sale and Purchase Agreement, the Target Company shall submit an application to the relevant registration authority for a change of company registration records in connection with the New Equity Acquisition and the acquisition of the Creditor's Rights (including but not limited to the change of shareholders, the change of directors, and the filing of the Articles of Association) (the "**Change of Registration Records**"), and Logan Transport and the Purchaser shall provide all necessary assistance. The Target Company shall complete the Change of Registration Records within five Business Days (or such later date as agreed by the parties in writing) after the date of submission of the relevant application.

As at the date of this announcement, the abovementioned conditions precedent remain to be satisfied.

Completion of the New Equity Acquisition and the acquisition of Creditor's Rights

Completion of the New Equity Acquisition shall take place on the date on which the relevant registration authority issues the Notification of Approval of Change of Registration (Filing)* (准予變更登記(備案)通知書) and the new business licence of the Target Company.

Completion of the acquisition of the Creditor's Rights shall take place on the date of settlement of the Creditor's Rights Consideration.

Termination

In the event that the Notification of Approval of Change of Registration (Filing)* (准予變更登記(備案)通知書) and the new business licence of the Target Company are not issued on or before 31 December 2022 (or other date as agreed by the parties in writing) and no consensus on the next steps can be reached among the parties on or before 31 December 2022, then any party to the New Sale and Purchase Agreement shall have the right to terminate the New Sale and Purchase Agreement by serving a written notice to the other parties according to the New Sale and Purchase Agreement.

The additional circumstances under which the New Sale and Purchase Agreement may be terminated are substantially the same as those under the Original Sale and Purchase Agreement as disclosed in the Previous Announcement, namely:

- (a) if, prior to the date of completion of the New Equity Acquisition, there exists any new or changes to applicable laws or regulations which would impede the transfer of the Target Interest or Creditor's Rights and the parties are unable to reach consensus on amendments to the New Sale and Purchase Agreement;
- (b) if the requisite approval for the New Equity Acquisition and acquisition of Creditor's Rights from the relevant government authority is unable to be obtained;
- (c) upon mutual agreement among all parties;
- (d) upon written notice by the Purchaser, in the event of the occurrence of any material adverse change to the Target Company and/or the Expressway on or before the date of completion of the New Equity Acquisition, and such material adverse change is not rectified within the prescribed time limit and the parties are unable to reach consensus; and
- (e) upon receipt of notice by the Purchaser from Logan Transport of the Equity Acquisition Consideration being overdue for more than ten Business Days.

MAJOR TERMS OF THE LOGAN INFRASTRUCTURE AGREEMENT

Date

5 September 2022 (after trading hours)

Parties

(1) Logan Infrastructure

(2) The Purchaser

(3) The Target Company

(4) Logan Transport

Acquisition of the Dividend Receivable

Pursuant to the Logan Infrastructure Agreement, the Purchaser has conditionally agreed to acquire, and Logan Infrastructure has conditionally agreed to sell the Dividend Receivable at a consideration of approximately RMB46.8 million (equivalent to approximately HK\$53.5 million) on the condition that the Target Interest and the Creditor's Rights are concurrently acquired by the Purchaser pursuant to the New Sale and Purchase Agreement.

The acquisition of the Dividend Receivable will be further subject to the terms of the Dividend Receivable Transfer Agreement to be entered into by the relevant parties according to the Logan Infrastructure Agreement.

Consideration

The consideration under the Logan Infrastructure Agreement is approximately RMB46.8 million (equivalent to approximately HK\$53.5 million), which will be funded by internal resources of the NWS Group and/or unutilized banking facilities from reputable banks.

The basis upon which the consideration for the acquisition of the Dividend Receivable was determined is the same as that disclosed in the Previous Announcement, which was on a dollar-for-dollar basis based on the book value of the dividend declared but unpaid by the Target Company for the year ended 31 December 2021 and receivable by Logan Infrastructure in the total amount of approximately RMB117.0 million (equivalent to approximately HK\$133.7 million), multiplied by 40% (i.e. proportional to the Target Interest).

Payment terms

The consideration for the acquisition of the Dividend Receivable shall be settled within three Business Days upon fulfilment of the following conditions:

- a) the payment of the Equity Acquisition Consideration; and
- b) the signing of the Dividend Receivable Transfer Agreement by the Purchaser, Logan Infrastructure and the Target Company.

The relevant parties shall use their best endeavours to enter into the Dividend Receivable Transfer Agreement within one calendar month from the date of settlement of the Equity Acquisition Consideration (or other date that is agreed by all parties in writing). If the Purchaser refuses to sign the Dividend Receivable Transfer Agreement without justifiable reasons within one calendar month from the date of settlement of the Equity Acquisition Consideration (or other date that is agreed by all parties in writing), the Dividend Receivable Transfer Agreement shall be deemed as signed by all relevant parties.

Completion of the acquisition of Dividend Receivable

Completion of the acquisition of Dividend Receivable shall take place on the date of settlement of the consideration for the acquisition of the Dividend Receivable.

Termination

The Logan Infrastructure Agreement will be terminated upon the termination of the New Sale and Purchase Agreement.

REASONS FOR AND BENEFITS OF THE NEW ACQUISITIONS

As at the date of this announcement, the Target Company wholly owns the concession right to operate the Expressway. The reasons for and benefits of the New Acquisitions are substantially the same as the reasons for and benefits of the Acquisitions as disclosed in the Previous Announcement.

The NWD Board and the NWS Board are of the view that (i) the termination of the Original Sale and Purchase Agreement will not cause any material adverse impact on the operation and financial condition of NWD and NWS, nor will it affect the development strategies and plans of NWD and NWS; and (ii) the terms of the New Sale and Purchase Agreement and the Logan Infrastructure Agreement are on normal commercial terms and are fair, reasonable and in the interests of NWD, NWS and their respective shareholders as a whole.

INFORMATION ON NWD GROUP, NWS GROUP, THE PURCHASER, LOGAN TRANSPORT, LOGAN INFRASTRUCTURE AND THE TARGET COMPANY

NWD Group

NWD Group is principally engaged in property development, property investment and investment in and/or operation of roads, commercial aircraft leasing, construction, insurance, hotels and other strategic businesses.

NWS Group

NWS Group, as the diversified industries flagship of NWD Group, invests and operates a wide range of businesses predominantly in Hong Kong and the Mainland. Its core business includes toll roads, commercial aircraft leasing, construction and insurance, while it also manages a strategic portfolio spanning sectors from logistics to facilities management.

The Purchaser

The Purchaser is an investment holding company and is principally engaged in the investment in infrastructure businesses of toll roads and power plants. It is an indirect wholly-owned subsidiary of NWS.

Logan Transport

To the best knowledge, information and belief of the NWD Board and the NWS Board, having made all reasonable enquiry, Logan Transport is principally engaged in infrastructure investment and operation in the PRC. As at the date of this announcement, it is principally engaged in the operation of four expressways in Sichuan and Guangxi. To the best knowledge, information and belief of the NWD Board and the NWS Board and having made all reasonable enquiries, as at the date of this announcement, Logan Transport was held as to (i) 47% by Mr. Kei Hoi Pang* (紀海鵬); (ii) 25% by Shantou Taifu Investment Development Company Limited* (汕頭市泰富投資發展有限公司), which was in turn directly owned as to 60% by Mr. Ji Jiande* (紀建德) and as to 40% by Mr. Yao Yaojia* (姚耀家); (iii) 17.5% by Ms. Yao Meiduan* (姚美端); (iv) 9% by Mr. Yao Yaolin* (姚耀林); and (v) 1.5% by Mr. Ji Jiande* (紀建德).

Logan Infrastructure

To the best knowledge, information and belief of the NWD Board and the NWS Board, having made all reasonable enquiry, Logan Infrastructure is an investment holding company, which is a direct wholly-owned subsidiary of Logan Transport.

The Target Company

To the best knowledge, information and belief of the NWD Board and the NWS Board, having made all reasonable enquiry, the Target Company is wholly owned by Logan Transport after the transfer of all the equity interest in the Target Company from Logan Infrastructure to Logan Transport. The Target Company is principally engaged in the management and operation of the Expressway.

To the best knowledge, information and belief of the NWD Board and the NWS Board, having made all reasonable enquiry, each of the Target Company, Logan Infrastructure, Logan Transport and their ultimate beneficial owners are third parties independent of each of NWD, NWS and their respective connected persons.

Historical financial information of the Target Company

Please refer to the Previous Announcement for the historical audited financial information (including the net profit/(loss) before and after income tax and net asset value) of the Target Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, NWD together with its subsidiaries held approximately 60.88% of the total issued share capital of NWS. The Purchaser is an indirect wholly-owned subsidiary of NWS, and in turn an indirect non-wholly-owned subsidiary of NWD. As at the date of this announcement, Logan Infrastructure was a direct wholly-owned subsidiary of Logan Transport.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the New Acquisitions (taking into account the Total Consideration and the Guarantee) are more than 5% but less than 25% for each of NWD and NWS, the New Acquisitions constitute a discloseable transaction for each of NWD and NWS and are therefore subject to the notification and announcement requirements, but are exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

As the completion of the New Acquisitions is subject to the satisfaction or waiver (as applicable) of certain conditions precedent stated in the New Sale and Purchase Agreement, the New Acquisitions may or may not proceed. Accordingly, shareholders of NWD and NWS and potential investors should exercise caution when dealing in the securities of each of NWD and NWS.

DEFINITIONS

Unless specified below, capitalised terms used in this announcement shall have the same meanings as set out in the Previous Announcement:

“Articles of Association”	the new articles of association of the Target Company to be agreed between Logan Transport and the Purchaser and to be adopted by the Target Company
“Bank Loans”	loans repayable by the Target Company to a number of banks in the PRC from time to time, with an aggregate outstanding amount of approximately RMB7,556.5 million (equivalent to approximately HK\$8,636.0 million) as at 5 September 2022
“Creditor’s Rights”	the non-interest bearing creditor’s rights of Logan Transport against the Target Company in relation to a loan repayable by the Target Company to Logan Transport in the amount of approximately RMB220.7 million (equivalent to approximately HK\$252.2 million) as at 5 September 2022
“Creditor’s Rights Consideration”	the consideration of approximately RMB220.7 million (equivalent to approximately HK\$252.2 million) to be paid by the Purchaser to Logan Transport for the Creditor’s Rights
“Creditor’s Rights Transfer Agreement”	the agreement to be entered into between the Purchaser, Logan Transport and the Target Company in relation to the sale and purchase of the Creditor’s Rights, the template of which was attached as an appendix to the New Sale and Purchase Agreement
“Dividend Receivable”	the non-interest bearing dividend declared but unpaid by the Target Company for the year ended 31 December 2021 and receivable by Logan Infrastructure in the amount of approximately RMB46.8 million (equivalent to approximately HK\$53.5 million) as at 5 September 2022
“Dividend Receivable Transfer Agreement”	the agreement to be entered into between the Purchaser, Logan Infrastructure and the Target Company in relation to the sale and purchase of the Dividend Receivable, the template of which was attached as an appendix to the Logan Infrastructure Agreement
“Equity Acquisition Consideration”	the consideration of approximately RMB1,634.9 million (equivalent to approximately HK\$1,868.5 million) to be paid by the Purchaser to Logan Transport for the New Equity Acquisition

“Guarantee”	a guarantee in favour of the relevant banks for the Bank Loans (or other form of financial support to be agreed among the parties) that may be provided by the Purchaser according to the New Sale and Purchase Agreement, for an amount up to 40% of the Bank Loans
“Logan Infrastructure Agreement”	The dividend receivable transfer agreement entered into between Logan Infrastructure, Logan Transport, the Target Company and the Purchaser in relation to acquisition by the Purchaser of the Dividend Receivable from Logan Infrastructure on 5 September 2022
“New Acquisitions”	the (i) New Equity Acquisition and the acquisition by the Purchaser of the Creditor’s Rights from Logan Transport in accordance with the New Sale and Purchase Agreement and (ii) acquisition by the Purchaser of the Dividend Receivable from Logan Infrastructure in accordance with the Logan Infrastructure Agreement
“New Equity Acquisition”	the acquisition of the Target Interest by the Purchaser from Logan Transport in accordance with the New Sale and Purchase Agreement
“New Sale and Purchase Agreement”	The equity interest and creditor’s rights transfer agreement entered into between Logan Transport, the Target Company and the Purchaser in relation to the New Equity Acquisition and the acquisition by the Purchaser of the Creditor’s Rights from Logan Transport on 5 September 2022
“Original Sale and Purchase Agreement”	The equity, dividend receivable and creditor’s rights transfer agreement entered into between Logan Infrastructure, Logan Transport, the Target Company and the Purchaser in relation to the Acquisitions on 26 April 2022 as disclosed in the Previous Announcement
“Target Company”	Guangxi Logan Guiwu Expressway Co., Ltd* (廣西龍光貴梧高速公路有限公司), a company established under the laws of the PRC with limited liability and wholly owned by Logan Transport
“Total Consideration”	the total consideration for the New Acquisitions of approximately RMB1,902.4 million (equivalent to approximately HK\$2,174.2 million)

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of HK\$1.00 = RMB0.875.

By Order of the NWD Board
Dr. Cheng Kar Shun, Henry
Chairman

By Order of the NWS Board
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 5 September 2022

As at the date of this announcement, (a) the executive directors of NWD are Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo, Ms. Chiu Wai-Han, Jenny and Mr. Ma Siu-Cheung; (b) the non-executive directors of NWD are Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and (c) the independent non-executive directors of NWD are Mr. Yeung Ping-Leung, Howard, Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John, Mr. Liang Cheung-Biu, Thomas, Mr. Ip Yuk-Keung, Albert and Mr. Chan Johnson Ow.

As at the date of this announcement, (a) the executive directors of NWS are Dr. Cheng Kar Shun, Henry, Mr. Ma Siu Cheung, Mr. Ho Gilbert Chi Hang, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher; (b) the non-executive directors of NWS are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai and Mr. William Junior Guilherme Doo (alternate director to Mr. William Junior Guilherme Doo: Mr. Lam Wai Hon, Patrick); and (c) the independent non-executive directors of NWS are Mr. Kwong Che Keung, Gordon, Mr. Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Wai Chi Grace Fung, Mr. Wong Kwai Huen, Albert and Professor Chan Ka Keung, Ceajer.

* *For identification purposes only*